



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-985]

Xanthan Gum from the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination

AGENCY: Import Administration, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce ("the Department") preliminarily determines that xanthan gum from the People's Republic of China ("PRC") is being, or is likely to be, sold in the United States at less than fair value ("LTFV"), as provided in section 733 of the Tariff Act of 1930, as amended ("the Act"). The weighted-average dumping margins are shown in the "Preliminary Determination" section of this notice. The final determination will be issued 135 days after publication of this preliminary determination in the *Federal Register*.

EFFECTIVE DATE: [Insert date of publication in the *Federal Register*.]

FOR FURTHER INFORMATION CONTACT: Brandon Farlander or Erin Kearney, AD/CVD Operations, Office 4, Import Administration, International Trade Administration, Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-0182 or (202) 482-0167, respectively.

SUPPLEMENTARY INFORMATION:

Scope of the Investigation

The scope of this investigation covers dry xanthan gum, whether or not coated or blended with other products. Further, xanthan gum is included in this investigation regardless of physical form, including, but not limited to, solutions, slurries, dry powders of any particle size, or unground fiber.

Xanthan gum that has been blended with other product(s) is included in this scope when the resulting mix contains 15 percent or more of xanthan gum by dry weight. Other products with which xanthan gum may be blended include, but are not limited to, sugars, minerals, and salts.

Xanthan gum is a polysaccharide produced by aerobic fermentation of *Xanthomonas campestris*. The chemical structure of the repeating pentasaccharide monomer unit consists of a backbone of two P-1,4-D-Glucose monosaccharide units, the second with a trisaccharide side chain consisting of P-D-Mannose-(1,4)- P-DGlucuronic acid-(1,2) - a-D-Mannose monosaccharide units. The terminal mannose may be pyruvylated and the internal mannose unit may be acetylated.

Merchandise covered by the scope of this investigation is classified in the Harmonized Tariff Schedule of the United States at subheading 3913.90.20. This tariff classification is provided for convenience and customs purposes; however, the written description of the scope is dispositive.

Methodology

The Department has conducted this antidumping duty investigation in accordance with section 731 of the Act. Export prices and constructed export prices have been calculated in accordance with section 772 of the Act. Because the PRC is a non-market economy within the meaning of section 771(18) of the Act, normal value has been calculated in accordance with section 773(c) of the Act. Specifically, the respondents' factors of production ("FOPs") have been valued using data from Thailand, the primary surrogate country, which is economically comparable to the PRC and is a significant producer of comparable merchandise.

For a full description of the methodology underlying our conclusions, *see* “Decision Memorandum for Preliminary Determination of the Antidumping Duty Investigation of Xanthan Gum from the People’s Republic of China” from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Paul Piquado, Assistant Secretary for Import Administration, dated concurrently with this notice (“Preliminary Decision Memorandum”) and hereby adopted by this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Import Administration’s Antidumping and Countervailing Duty Centralized Electronic Service System (“IA ACCESS”). IA ACCESS is available to registered users at <http://iaaccess.trade.gov>, and is available to all parties in the Central Records Unit, room 7046 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly on the Internet at <http://www.trade.gov/ia/>. The signed Preliminary Decision Memorandum and the electronic versions of the Preliminary Decision Memorandum are identical in content.

Preliminary Determination

The Department preliminarily determines that the following weighted-average dumping margins exist:

| Exporter | Producer | Weighted Average Dumping Margin |
|---|---|--|
| Neimenggu Fufeng Biotechnologies Co., Ltd. (aka Inner Mongolia Fufeng Biotechnologies Co., Ltd.)/Shandong Fufeng Fermentation Co., Ltd. | Neimenggu Fufeng Biotechnologies Co., Ltd. (aka Inner Mongolia Fufeng Biotechnologies Co., Ltd.)/Shandong Fufeng Fermentation Co., Ltd. | 21.69 |
| Deosen Biochemical Ltd. | Deosen Biochemical Ltd./Deosen Biochemical (Ordos) Ltd. | 127.65 |
| A.H.A. International Co., Ltd. | Shandong Fufeng Fermentation Co., Ltd. | 74.67 |

| | | |
|--|--|--------|
| A.H.A. International Co., Ltd. | Deosen Biochemical Ltd. | 74.67 |
| CP Kelco (Shandong) Biological Company Limited | CP Kelco (Shandong) Biological Company Limited | 74.67 |
| Hebei Xinhe Biochemical Co. Ltd. | Hebei Xinhe Biochemical Co. Ltd. | 74.67 |
| Shanghai Smart Chemicals Co. Ltd. | Deosen Biochemical Ltd. | 74.67 |
| PRC-Wide Entity* | | 154.07 |

* The PRC-wide entity includes Shandong Yi Lian Cosmetics Co., Ltd., Shanghai Echem Fine Chemicals Co., Ltd., Sinotrans Xiamen Logistics Co., Ltd., and Zibo Cargill HuangHelong Bioengineering Co., Ltd.

Disclosure and Public Comment

The Department will disclose calculations performed for this preliminary determination to the parties within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b). Case briefs or other written comments may be submitted to the Assistant Secretary for Import Administration no later than seven days after the date on which the final verification report is issued in this proceeding, and rebuttal briefs, limited to issues raised in case briefs, may be submitted no later than five days after the deadline date for case briefs.¹ A table of contents, list of authorities used and an executive summary of issues should accompany any briefs submitted to the Department. This summary should be limited to five pages total, including footnotes.

Interested parties, who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Import Administration, U.S. Department of Commerce, filed electronically using IA ACCESS. An electronically filed document must be received successfully in its entirety by the Department's electronic records system, IA ACCESS, by 5:00 p.m. Eastern Standard Time, within 30 days after the date of publication of this notice.² Requests should contain the party's name, address, and telephone

¹ See 19 CFR 351.309.

² See 19 CFR 351.310(c).

number, the number of participants, and a list of the issues to be discussed. If a request for a hearing is made, the Department intends to hold the hearing at the U.S. Department of Commerce, 14th Street and Constitution Avenue NW, Washington, DC 20230, at a time and location to be determined. Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

For the final determination in this investigation, interested parties may submit publicly available information to value the FOPs within 40 days after the publication of this preliminary determination.³ In accordance with 19 CFR 351.301(c)(1), for the final determination of this investigation, interested parties may submit factual information to rebut, clarify, or correct factual information submitted by any other interested party less than ten days before, on, or after, the applicable deadline for submission of such factual information. However, the Department notes that 19 CFR 351.301(c)(1) permits new information only insofar as it rebuts, clarifies, or corrects information recently placed on the record. The Department generally will not accept the submission of additional, previously absent-from-the-record alternative surrogate value information.⁴ Additionally, for each piece of factual information submitted with surrogate value rebuttal comments, the interested party must provide a written explanation of what information that is already on the record of the ongoing proceeding the factual information is rebutting, clarifying, or correcting.

Postponement of Final Determination and Extension of Provisional Measures

Pursuant to requests from interested parties, we are postponing the final determination and extending the provisional measures from a four-month period to not more than six months.

³ See 19 CFR 351.301(c)(3)(i).

⁴ See *Glycine from the People's Republic of China: Final Results of Antidumping Duty Administrative Review and Final Rescission, in Part*, 72 FR 58809 (October 17, 2007), and accompanying Issues and Decision Memorandum at Comment 2.

Accordingly, we will make our final determination no later than 135 days after the date of publication of this preliminary determination, pursuant to section 735(a)(2) of the Act.

Suspension of Liquidation

In accordance with section 733(d) of the Act, the Department will instruct U.S. Customs and Border Protection (“CBP”) to suspend liquidation of all entries of xanthan gum from the PRC, as described in the “Scope of the Investigation” section, entered or withdrawn from warehouse, for consumption, on or after the date of publication of this notice in the *Federal Register*.

Pursuant to 19 CFR 351.205(d), the Department will instruct CBP to require a cash deposit⁵ equal to the weighted-average amount by which normal value exceeds U.S. price as follows: (1) the separate-rate weighted-average dumping margin for the exporter/producer combinations listed in the table above will be the rate the Department has determined in this preliminary determination; (2) for all combinations of PRC exporters/producers of merchandise under consideration which have not received their own separate-rate weighted-average dumping margin above, the cash-deposit rate will be the cash deposit rate established for the PRC-wide entity; and (3) for all non-PRC exporters of merchandise under consideration which have not received their own separate rate above, the cash deposit rate will be the cash deposit rate applicable to the PRC exporter/producer combination that supplied that non-PRC exporter. These cash deposit instructions will remain in effect until further notice.

International Trade Commission (“ITC”) Notification

In accordance with section 733(f) of the Act, we have notified the ITC of our preliminary affirmative determination of sales at LTFV. Section 735(b)(2) of the Act requires the ITC to

⁵ See *Modification of Regulations Regarding the Practice of Accepting Bonds During the Provisional Measures Period in Antidumping and Countervailing Duty Investigations*, 76 FR 61042 (October 3, 2011).

make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of xanthan gum, or sales (or the likelihood of sales) for importation, of the merchandise under consideration within 45 days of our final determination.

This determination is issued and published in accordance with sections 733(f) and 777(i)(1) of the Act.

Paul Piquado
Assistant Secretary
for Import Administration

____January 3, 2013____
Date

List of Topics Discussed in the Preliminary Decision Memorandum

1. Scope of the Investigation
2. Respondent Selection
3. Non-Market Economy Country
4. Surrogate Country
 - a. Economic Comparability
 - b. Significant Producers of Identical or Comparable Merchandise
 - c. Data Availability
5. Surrogate Value Comments
6. Separate Rates
 - a. Separate Rate Respondents
 - b. Dumping Margin for the Separate Rate Companies
7. Date of Sale
8. Fair Value Comparisons
 - a. Export Price
 - b. Constructed Export Price
 - c. Normal Value
 - d. Factor Valuations
 - e. Currency Conversion
9. Determination Not to Apply an Alternative Comparison Methodology
10. Application of Facts Available and Adverse Facts Available
11. Corroboration of Secondary Information
12. Postponement of Final Determination and Extension of Provisional Measures
13. Verification

[FR Doc. 2013-00349 Filed 01/09/2013 at 8:45 am; Publication Date: 01/10/2013]